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Thomas J. Sadowski
Director

MEMORANDUM

TO: Agency Payroll, HR, and Fiscal Officers

FROM: Division of Accounting

DATE: April 29, 2008

RE: Update to MCHCP Employer Contribution for 5/15/08 Pay Date

The FY08 General Revenue MCHCP healthcare employer fringe appropriation is not an estimated appropriation, and cannot be increased above the appropriated amount. As a result of this, the contribution amount will need to be adjusted over the remainder of this fiscal year's pay cycles to comply with our appropriation authority. Because fringe payments are allocated in the same proportion as labor, all funding sources will be treated the same as general revenue.

The Division of Accounting, in coordination with MCHCP, will be analyzing each of the remaining four pay cycles and will adjust the SAMII HR table driven rates as necessary to better allocate the expenditure. This does not affect the employee deduction rates. This memo is informational and requires no action by the agencies.

For the May 15, 2008, pay cycle the MCHCP healthcare contribution (MCH1R or MCH2R), the retiree healthcare (MHLRR), and the MCHCP OPEB contribution (MOPEB) will be as follows:

MCHCP employer rate	\$225.00
MHLRR	2.73%
MOPEB	0.82%

Agencies with federal funding sources may need to adjust drawdown requests prior to pay cycle due to this change. These rates may change as the analysis of the remaining pay cycles shows the need for adjustment. Additional memos will be distributed as necessary.

Also, agencies need to closely monitor their expenditures and submit any PACC (payroll accounting change) requests promptly. Changes to labor also affect the funding for fringes. Any adjustments impact the calculation when OA re-evaluates the appropriation balance after each pay cycle.